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From:

Sent: Tuesday, February 22, 2011 1:58:20 PM

To:

Cc:

Subject: RE: Tefra Question -

A payment from a partnership to a partner other than in the partner's capacity as a partner (under section 707) is a partnership item under Treas. Reg. 301.6231(a)(3)-1(a)(2)(iii) and 301.6231(a)(3)-1(c)(4). An affected item would be limited to things such as the cost of goods a partner sold to the partnership. But the gross payments between a partnership and partner (as in your case) would be partnership items.